

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Scheherazade, Inc.,

Debtor.

Chapter 7
Bankruptcy 19-40658

NOTICE OF SETTLEMENT

TO: The United States Trustee, all creditors, and other parties in interest.

On June 26, 2020, or as soon thereafter as the transaction may be completed, the trustee of the estate will settle a controversy as follows:

The trustee alleges that within 90 days before the petition date New Italian Art, an Italian business, received \$13,700 from the debtor. The trustee asserts that the transfer is avoidable as a preference under 11 U.S.C. § 547. New Italian Art has denied the trustee's claims and has raised defenses, including whether the payments were made within the 90 day preference period. New Italian Art also asserts a financial hardship due to COVID-19. New Italian Art provided a sales and income comparison analysis, showing more than a fifty percent decrease, comparing the first quarter of 2020 with the first quarter of 2019.

To settle all claims against New Italian Art in connection with the bankruptcy case, New Italian Art will pay \$7,900 to the trustee. The payment will be made within ten business days after the court issues a final order approving this settlement. New Italian Art will be allowed its general unsecured claim in this bankruptcy case for \$322,670, which will be paid on a pro rata distribution as set by the U.S. Bankruptcy Code [Claim No. 85].

Provided the settlement is approved by the court and upon receipt of the settlement payment, the parties release each other from any and all claims arising from or related to this bankruptcy case, except for New Italian Art's general unsecured claim as described.

The trustee believes this settlement is in the best interest of creditors due to the cost of litigation and challenges with collecting from a foreign business. The trustee requests that the settlement be approved.

OBJECTION: MOTION: HEARING

Under applicable rules, any objection must be in writing, be delivered to the trustee and the United States Trustee, and be filed with the clerk, not later than 12:00 noon on the day before the above date. If an objection is timely delivered and filed, the court will hold an expedited hearing on the objection with reduced notice of the hearing. The hearing will be scheduled by the trustee

with notice by the trustee to the objecting party and the United States Trustee. If an objection is made or an order is required, the undersigned trustee moves the Court for such orders as may be necessary and appropriate.

United States Bankruptcy Court
300 South Fourth Street
301 U.S. Courthouse
Minneapolis, MN 55415

United States Trustee
1015 U.S. Courthouse
300 South Fourth Street
Minneapolis, MN 55415

Nauni Manty, Trustee
401 2nd Ave N, Ste 400
Minneapolis, MN 55401

Dated: May 28, 2020

By: /e/ Nauni Manty
Nauni Manty, Trustee